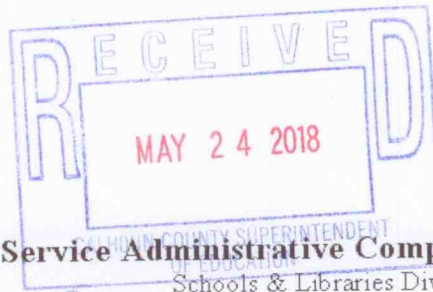




Universal Service Administrative Company
Schools & Libraries Division



Administrator's Decision on Appeal – Funding Year 2015-2016

May 21, 2018

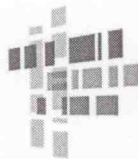
Jean Ann Casey
Calhoun County School District
119 West Main Street
Pittsboro, MS 38951

Re: Applicant Name: CALHOUN COUNTY SCHOOL DISTRICT
Billed Entity Number: 128600
Form 471 Application Number: 1036005
Funding Request Number(s): 2820086
Your Correspondence Dated: January 25, 2018

After review of the information and documentation provided, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's decision to recover improperly disbursed funding for the FCC Form 471 Application Number and funding request number(s) (FRN(s)) referenced above. This letter provides an explanation for USAC's decision. The date of this letter also begins the sixty (60) day time period for appealing this decision. If your Letter of Appeal included more than one FCC Form 471 Application Number, please note that you will receive a separate decision for each funding application.

Funding Request Number(s): 2820086
Decision on Appeal: **Denied**
Explanation:

- During a Payment Quality Assurance (PQA) review, USAC determined that funds were improperly disbursed on this funding request. Services were delivered to an entity that was not approved on your FCC Form 471 and is therefore ineligible to receive discount services. FCC rules state that only eligible entities that make a bona fide request for support are eligible to receive benefits under the program. Two entities Calhoun City Middle School and Vardaman Elementary School were not listed on item 21 as receiving telecom service. Accordingly, USAC will seek recovery of \$10,273.85 of improperly disbursed funds from the applicant. In your appeal, you did not demonstrate that USAC's decision was incorrect. Consequently, your appeal is denied.



Universal Service
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Recovery of Improperly Disbursed Funds Letter

Mike Moore
CALHOUN COUNTY SCHOOL DISTRICT
PO BOX 58
PITTSBORO, MS 38951 - 0058

01/10/2018

Our review of your Schools and Libraries Universal Service Support Program (or E-rate) funding request has determined funds were committed in violation of Federal Communications Commission (FCC) rules. You have 60 days from the date of this letter to appeal the following decision(s). For more detailed information see below.

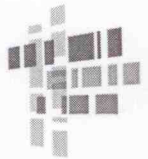
Total amount to be recovered: \$43,663.85

<i>FCC Form 471</i>	<i>FRN</i>	<i>Commitment adjustment</i>	<i>Total amount to be recovered</i>	<i>Explanation(s)</i>	<i>Party to recover from</i>
1036005	2820086	\$0.00	\$43,663.85	Ineligible Entity Requesting Services; Invoiced in excess of supporting bills	Applicant

See Attached Adjustment Report for more information on the specific FRNs and Explanations listed above.

Recovery of Improperly Disbursed Funds

Our review of your Universal Service Schools and Libraries Support Program (or E-rate) funding request(s) referenced in the Adjustment Report has determined funds were improperly disbursed in violation of Federal Communications Commission (FCC) rules. A copy of that Adjustment Report is also attached to this letter.



Universal Service Administrative Co.

FCC rules require the Universal Service Administrative Company (USAC) to rescind commitments and recover funding when it is determined that funding was committed and disbursed in violation of the rules. This letter notifies you that USAC will be adjusting your funding commitment(s) and provides information on how to appeal this decision.

This is NOT a bill. If disbursed funds need to be recovered, USAC will issue a Demand Payment Letter. The debt referenced in the Demand Payment Letter will be due within 30 days of that letter's date. Failure to pay the debt may result in interest, late payment fees, and administrative charges and will invoke the FCC's "Red Light Rule."

FCC's Red Light Rule

The FCC Red Light Rule requires USAC to dismiss pending FCC Form 471 applications, appeals, and invoices or to net disbursements offsetting the debt if the entity responsible for paying the outstanding debt owed to the FCC has not paid the debt or made satisfactory arrangements to pay the debt within 30 days of the Demand Payment Letter. For information on the Red Light Rule, see

<https://www.fcc.gov/licensing-databases/fees/debt-collection-improvement-act-implementation>

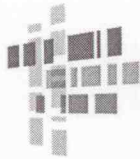
To Appeal This Decision

If you wish to contest any part of this letter, you must first file an appeal with USAC to seek review of the decision. Parties that have filed an appeal with USAC and received an adverse decision may, if they choose, appeal USAC's decision to the FCC. Parties seeking a waiver of a codified FCC rule should file a request for waiver directly with the FCC because USAC cannot waive FCC rules. Your appeal to USAC or waiver request to the FCC must be filed within 60 days of the date of this letter.

All appeals filed with USAC must be filed in EPC by selecting "Appeal" from the menu in the top right hand corner of your landing page and providing the requested information.

Your appeal should include the following information. (Because you file the appeal through your EPC account, the system will automatically fill in some of these components for you).

- 1) Name, address, telephone number, and email address for the contact person for this appeal.
- 2) Indicate specifically that your letter is an appeal. Include the following to identify the USAC decision letter (e.g., Recovery of Improperly Disbursed Funds) and the decision you are appealing:



**Universal Service
Administrative Co.**

- a. Appellant name;
- b. Applicant name and service provider name, if different from appellant;
- c. Applicant BEN and Service Provider Identification Number (SPIN);
- d. FCC Form 471 Application Number and the Funding Request Number (FRN) or Numbers as assigned by USAC;
- e. "Recovery of Improperly Disbursed Funds," AND the exact text or the decision that you are appealing.

3) Identify the problem and the reason for the appeal and explain precisely the relief sought. Please keep your appeal to the point, and provide supporting documentation. Be sure to keep a copy of your entire appeal, including any correspondence and documentation. A copy will automatically be saved for you in EPC. USAC will reply to your appeal submission to confirm receipt.

For more information on submitting an appeal to USAC including step by step instructions on how to file the appeal through EPC, please see "Appeals" in the Schools and Libraries section of the USAC website.

As mentioned, parties seeking a waiver of FCC rules or that have filed an appeal with USAC and received a decision may file a request for waiver or appeal USAC's decision to the FCC. Waiver requests or appeals to the FCC must be made within 60 days of the issuance of USAC's decision and include all of the information referenced above for appeals to USAC.

The FCC recommends filing appeals or waiver requests with the Electronic Comment Filing System (ECFS) to ensure timely filing. Electronic waiver requests or appeals will be considered filed on a business day if they are received at any time before 11:59 PM ET. If you have questions or comments about using the ECFS, please contact the FCC directly at (202) 418-0193.

For more information about submitting waiver requests or appeals to the FCC, including options to submit the waiver request or appeal via U.S. mail or hand delivery, visit the FCC's website.

Schools and Libraries Division

cc: Cheryl Revor

BellSouth Telecommunications, LLC



Adjustment Report

FCC Form 471 Application Number:	1036005
Funding Request Number:	2820086
Commitment Adjustment:	\$0.00
Total Amount to Be Recovered:	\$43,663.85
Explanation(s):	Ineligible Entity Requesting Services; Invoiced in excess of supporting bills
Party to Recover From:	Applicant
Funding Year:	2015
Billed Entity Number:	128600
Services Ordered:	TELCOMM SERVICES
Service Provider Name:	BellSouth Telecommunications, LLC
SPIN:	143004824
Original Funding Commitment:	\$100,170.00
Adjusted Funding Commitment:	\$100,170.00
Funds Disbursed to Date:	\$100,170.00

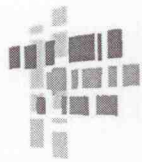
Funding Commitment Adjustment Explanation

Finding 1

During a Payment Quality Assurance (PQA) review, it has been determined that funds were improperly disbursed for this funding request. Funds were disbursed in excess of the actual cost of the products and/or services actually delivered to the applicant. Specifically, the applicant invoiced USAC in excess of the amount billed for the services provided by the service provider. The applicant invoiced the E-rate program for 12 months of service but documentation provided during the audit only supports 8 months of service. FCC rules authorize USAC to disburse funds to service providers for providing supported services to eligible entities. These rules are violated if the Administrator is invoiced and funds are disbursed in excess of the services and/or products delivered to the eligible entity. In this situation, the applicant certified on the BEAR Form that discount amounts for which the applicant is seeking reimbursement represent charges for eligible services delivered to and used by eligible entities. Additionally, the applicant made a certification on the BEAR form stating that the discount amounts listed on the form were already billed by the service provider and paid by the Billed Entity Applicant on behalf of eligible schools, libraries, and consortia of those entities. Accordingly, USAC will seek recovery of \$33,390.00 of improperly disbursed funds from the applicant.

Finding 2

During a Payment Quality Assurance (PQA) review, it has been determined funds were improperly disbursed on this funding request. Services were delivered to an entity that was not approved on an FCC Fo



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rm 471 and is therefore ineligible to receive discount services. FCC rules state that only eligible entities that make a bona fide request for support are eligible to receive benefits under the program. Two entities Calhoun City Middle School and Vardaman Elementary School were not listed on item 21 as receiving telecom service . Accordingly, USAC will seek recovery of \$10,273.85 of improperly disbursed funds from the applicant.

Mike Moore
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